

Iran:

Mossadeq slowly consolidating position. No serious overt opposition but maneuvering cautiously. ^{It} Kashani has withdrawn ^{into shell} ~~from open opposition.~~ ^{It} Dissatisfaction army circles and rumors military coup possible but Mossadeq probably able block this and purge of army continuing with Chief of Staff taking Mossadeq's orders. ^{It} Tudeh not yet ready to attempt coup but 4 to 6 thousand Tudeh followers gave orderly demonstration in memory of Stalin.

^{It} Mossadeq has requested withdrawal Point-4 personnel from South Caspian area fearing Communist pressure. ^{It} Differences with Shah unresolved but he being slowly undermined. Prince Abda Reza ~~has~~ left for India and Queen about to leave. ^{It} Tribal leaders restive and new army commanders sent to Bakhtiari area. ^{It} Oil conversations dead-locked and Mossadeq about to formally reject last British offer and announce breakdown of talks. This partially political maneuver by ^{Iran} ~~Iran~~ Mossadeq to strengthen position. ^{It} Appear to be in situation of slow disintegration but with Mossadeq likely to control things for some time.